
From: Coppola.Carol [mailto:Carol.Coppola@SunTrust.com]

Sent: Monday, October 16, 2017 11:26 AM

To: John Guastella <jfg@guastella.com>

Cc: Kutcher.Emily.A <Emily.A.Kutcher@SunTrust.com>

Subject: RE: DIUC - Another LOC

John, we really need an answer on the outstanding billing rates from the commission before we extend any additional credit to Daufuskie Island Water Co. It is difficult to complete our files without the outstanding uncertainties.

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From: John Guastella [mailto:jfg@guastella.com]

Sent: Friday, October 13, 2017 1:14 PM

To: Coppola.Carol

Cc: Kutcher.Emily.A

Subject: DIUC - Another LOC

Hi Carol,

The PSC will conduct a rehearing in response to the Supreme Court's decision rejecting the PSC's 43% rate increase order. Early indications are that the revised rate increase will significantly exceed 84% as compared to the 43% allowed in the PSC's original order. That rehearing and PSC decision, however, will not be completed until after January 1, 2018 so that we would again bill at the 108.9% original rate increase on January 1st, and again be subject to refund as well as extending the existing bonds (\$1,203,595) and adding another \$430,042 bond to cover the first quarter of 2018.

You recall that the bond company required a letter of credit in order to renew and add to the previous bonding, for which SunTrust provided a \$650,000 LOC, a little more than half of the total amount of the bond renewals. As I recall, SunTrust only provided the LOC because of Terry Lee's assistance, but would not do so on the strength of DIUC's own rate and financial circumstances. The renewal and additional bonds for the first quarter of 2018 will be \$1,623,637 which would likely require about an \$850,000 LOC, if the bond company would renew the bond at all. Assuming the bond company will renew the bonds again, would SunTrust be willing to provide a LOC without Terry Lee's assistance?

I am working on a plan to expedite the PSC's process and avoid the need for a bond renewal, but that effort would include whether DIUC can obtain a bond renewal. So, am taking the liberty of asking

for your response ASAP.

Thanks,
John

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